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FOR AF/FO AND AF/SPG

E.O. 12958: DECL: 12/06/2016 TAGS: <u>PREL ETTC EFIN US SU</u>

SUBJECT: SUDAN SDN DESIGNATION AND SUDATEL

REF: A. A) KHARTOUM 02729

1B. B) STATE 189361

Classified By: P/E Chief E. Whitaker, Reason: Section 1.4 (b) and (d)

- 11. (C) Regarding the designation of additional Sudanese companies as "specifically designated nationals" (SDNs), Embassy Khartoum notes the following information regarding Sudatel:
- ¶A. The potential impact if Sudatel were named as an SDN would cause complications including but not limited to severe disruption of Post,s SBU network, in that Post uses the parastatal Sudatel,s telephonic infrastructure as our primary connection to Washington for our SBU network.
- 1B. In the event post were unable to use Sudatel's services, it would be forced to use its satellite (VSAT) connection for the SBU network. Assuming bandwidth were even available, this would increase costs significantly. Furthermore, Post would have only a very low bandwidth Secure Telephone Unit-based alternate if the VSAT failed. (Note: Post's SC-7 satellite, the normal backup, is, and has been, inoperative for many months as of this writing. End note.)
- ¶C. Post's has contracted with Sudatel to provide local and national desktop telephone service. A disruption of that service would mean post could no longer communicate, through desktop phone service, with the Sudanese population.
- ¶D. A new company, CANAR from the UAE, has an independent fiber link around Khartoum. It is not known to what extent Canar relies upon Sudatel's infrastructure, such as satellite uplinks, but we do know that Canar uses Sudatel,s fiber line between Khartoum and the Port of Sudan.
- 1E. The cell-phone situation is less clear. Post currently uses Mobitel service, which is partly owned by Sudatel (39 percent), with a Kuwaiti government/private venture owning the remainder. A possible reaction by Sudatel might be to work through their interests in Mobitel to limit or disrupt our current services. While Sudatel and Mobitel represent the bulk of cell-phone provision in Khartoum; a third company, Areeba (Bashair-a Syrian company), may be able to provide limited service.

One additional firm, Canar, (an Emirati company) is trying to enter the mobile phone market. It is still waiting for the necessary license from the government.

- $\underline{\mbox{1}}2.$ (C) In short, post is heavily reliant upon Sudatel, and recommends against listing it as an SDN.
- 13. (C) Issues pertaining to efforts to designate individuals under targeted sanctions will be discussed in septel.